attended at the appropriate level. LIC publish the names of the Public Grievance Redressal Officers in leading newspapers from time to time who can be approached by the unsatisfied insureds to redress their grievances.

High interest rates of banks

2962. DR. GOPALRAO VITHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) the cause of high interest rates of banks in the coutnry when compared to banks in other countries both developed and developing;

(b) how this factor is affecting our development efforts and export promotion thrust;

(c) how many branches of nationalised banks are being closed because of ineffeciency and mismanagement;

(d) whether overstanding non-feasible opening of new branches is one of the important cause of high interest rates; and

(e) how the interest rates are determined and by whom?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a), (b), (d) and (e) The interest rates on bank deposits are determined by Reserve Bank of India (RBI) taking into account various factors including rate of inflation, the pace of monetary expansion, the relative attractiveness of other saving instruments and the viability and profitability of banks. Lending rates are related to deposit rates in the sense that adequate spread between the deposit and lending trates is required in order to maintain the viability of banks.

Any inter-country comparision of interest rates needs to take into account, inter alia, the inflation rate and relative external value of currencies concerned. Interest rates have to be adjusted for inflation and exchange rate differential. In the developed economies, interest rates are largely market determined.

The present interest rate structure for scheduled commercial banks is given in the Statement *(see below)*. The banks determine actual lending rates (above Rs. 2 lakh) through stipulation of a prime lending rate (PLR). Banks determine their PLR on the basis of post of funds and expected return on their deployment. Individual borrowers are charged different rates according to their rating by the banks. The rates are however, under continued review and modification is made theirin on the basis of emerging developments in the economy.

As regards export credit, interest rates on a large part of export (Rupee) credit is at lower rate of 13 per cent (Pre-shipment credit upto 180 days and Post-shipment credit upto 90 days), while the PLR of major banks are in the region of 15.5 per cent to 16.0 per cent.

For having a strong and substantial growth of export, the objective of policy has been to ensure timely and adequate credit to the export sector and to ensure that no worthwhile export order suffer for want of bank finance. Banks are also provided with export credit re-fiance by the RBI to encourage them to expand their credit to the export sector.

(c) RBI has reported that as per extant policy, commercial banks have been allowed to swap/close their un-remunerative branches at semi-urban urban and metropolitan centres. However, RBI have not allowed banks to close their rural branches at centres served by a single branch of a commercial bank (excluding branches of RRBs). At rural centres which have two or more commerial bank branches which are incurring losses, RBI have advised that they may close if necessary, one of the branches by mutual consultation and with the prior concurrence of the concerned State Government and RBI. However, no bank has approach RBI to close a rural branch under this procedure.

RBI have further reported that they have allowed commercial banks to convent unviable branches into satellite offices, keeping in view the cost benefit aspect, the likely inconvenience to the existing clientele, the effect of such conversion on their performance in the preparation of District Credit Plan and Priority, Sector Lending.

Statement

Interest Rate Structure for Scheduled Commercial Banks

Items	Rate per Cent Per Annum
Bank Deposits	
Saving Bank deposits	4.5
Term Deposits	
(i) 30 days and upto 1 year	not exceeding 11.0
(ii) Above 1 year	Free
Bank Credit	
(i) Credit limits upto Rs. 25,000	12.0
(ii) Credit limits above Rs. 25,000 and upto Rs. 2 lakh	13.5
(iii) Credit limits above Rs. 2 lakh	Free*

Shifting of current affairs programmes to late hours

2963. SHRIMATI VEENA VERMA:
SHRI RAJUBHAI A. PARMAR:
SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether as reported in the Indian Express of August 2, 1996, it is proposed to shift the two daily current affairs programmes; namely "Aaj-Tak" in Hindi and the "News Tonight" in English telecast on DD-Metro at 9.30 p.m. and 10.00 p.m. respectively, to later hours in the night and to increase the telecasting rate by 100%.

(b) whether Government are aware of the popularity of these programmes amongst viewers, news-lovers and whether any survey has been conducted to assess their popularity, if so, with what results; and

(c) the reasons for shifting their telecasting time and enhancement in rate?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM): (a) Yes, Sir.

(b) Yes, Sir. according to the latest survey of Audience of Research Unit of Doordarshan the two programmes are not as popular as Doordarshan's own news bulletins "Samachar" and "The News" telecast on DD-I at 8.30 p.m. and 9.00 p.m. respectively.

(c) Revenue generation for Doordarshan.

Review of performance of commercial banks

2964. SMT. JAYANTI PATNAIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government have reviewed the performances of different commercial banks in the country;

(b) if so, bank-wise details thereof during the last three years, year-wise and

(c) the efforts made by Government to improve the performance of the banks so that they all earn profit?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The performance of public sector banks is reviewed annually by the Government of India and a consolidated report is placed before the Parliament.

(b) The details of profit/losses of public sector banks (bankwise) for the year ended 1994, 1995 and 1996 are given in the Statement *(see below)*

(c) Reserve Bank of India/Government have taken various steps to improve the overall functioning of the banks. These include, inter alia, discussions with the top executives of the banks for finalising performance commitments, strengthening of credit management system, toning up of internal control, etc. Banks reporting operating and net losses are precluded from incurring fresh capital expenditure, fresh recruitment, etc. and advised to reduce all operating expenses through rationalisation of their organisational structure. The introduction of prudential norms has brought in a greater sensitivity among the banks on the credit risks which is expected to improve their financial strength.

* For borrowers with credit limits of over Rs. 2 lakh banks are free to determine the interest rate. Each bank is required to declare its Prime Lending Rate (PLR) which should have the approval of its Board and which should be the minimum rate applicable to this category of borrowers. The actual rate to a particular borrower is fixed by the banks taking into account the risk perception, track record of the borrowers and other relevant factors.